FINANCIAL.

No. Fl. 4907—*B.* 33-09-7, *dated* 18*th March* 1911.

The Government of His Highness the Maharaja have been pleased to sanction the formation of a Family Pension Fund as an adjunct to the State Life Insurance Scheme. A statement of the principles underlying the scheme together with the rules regarding the Fund are published hereunder for information of Government officials throughout the State.

The Fund will be started as soon as fifty officials have expressed their willingness to join. Persons desirous of joining the Fund or requiring further information should apply to the Secretary, Insurance Committee.

By Order,
J. S. CHAKRAVARTI,
Financial Secretary to Government.

ADDITION OF A FAMILY PENSION BRANCH TO THE MYSORE STATE LIFE INSURANCE FUND.

SECTION I.

Principles underlying the scheme and general outline.

1. The principles, on which the operations of this Branch will be based, are the same as those underlying the operations of other Family Pension Funds. All subscribers who join the Branch secure substantial family pensions in case they die leaving nominees dependent on them. The pension payable to the nominees may be in many cases much larger than the subscription paid by the subscriber, *e.g.*, if a subscriber aged 25 dies leaving a widow aged 18 after having paid subscription for say six months to the extent of a few rupees, the widow may enjoy a pension of Rs. 10 a month for 50 years or more, *i.e.*, as long as she may live. On the other hand if both the subscriber and the nominee live for a long time or if the nominee dies before the subscriber, the Fund has some advantage. (See however Rule 59.)

2. It will be seen that such an institution for the provision of family pension is one of mutual benefit. The subscribers in a body may be said to undertake the work of maintaining the family of those amongst them who may be so unfortunate as to die leaving helpless dependents. A subscriber whose nominee dies after he has paid subscription for some time may have some satisfaction in knowing that though the contingency for which he was making the payments has not come to pass and the provision has been made unnecessary in his case, his payments will help in maintaining widows and orphans in other cases where the breadwinner has died before the nominees.

3. The fact that all permanent employees of the Mysore Government are required to insure their lives in the State Insurance office guards to some extent against the contingency of dependents of Government employees being left absolutely destitute at the death of such employees. But the interest on the insurance money is not sufficient in any case to maintain the family and for various reasons an unassignable monthly pension is a much surer and better mode of provision for widows and orphans than a lump sum. Moreover the contentment and peace of mind which results from a person feeling that a provision has been made for the maintenance of his family after his death, cannot be held to be secured by the existing insurance rules. Such contentment and peace of mind on the part of public servants are of much direct advantage to the persons themselves and of indirect advantage to the State. The scheme of family pensions is introduced to secure the above result as far as possible. It must be understood however that subscription to the Family Pension scheme will be entirely optional in the case of all present and future employees of the State, and that those who join will have perfect liberty in subscribing for any dependents they like consistently with the rules.

4. The main features of the scheme are the following:—

(1) Subscription to the Fund will be entirely optional.

(2) An official, by paying a fixed monthly subscription during his life time may secure a pension for life or for a term of years to a specified

nominee, or specified nominees, such as wife, child, parent or other relative, who may survive the subscriber. If any nominee predeceases the subscriber, the latter shall not get a refund of the subscriptions paid on behalf of such nominee. (See however Rule 59 under which surpluses at actuarial valuations may be devoted to giving some refund in such cases.)

(3) Intending subscribers will be liable to medical examination; there will be no medical examination for nominees.

(4) The amount of pension which can be secured for each nominee shall be not less than Rs. 5 or more than Rs. 30 per mensem, and the aggregate amount of the pensions which may be secured for all the nominees of a subscriber shall not exceed Rs. 80 per mensem, of which not more than Rs. 60 per mensem shall be life pensions.

(5) The nominees will not be permitted to assign their pensions.

(6) Every endeavour will be made to see that the nominees get their pensions promptly, regularly and without any trouble. (*Vide* rules regarding payment of pensions.)

RULES REGARDING THE FAMILY PENSION BRANCH OF THE MYSORE STATE LIFE INSURANCE OFFICE.

SECTION II.

Admission of subscribers.

1. All employees of the Government of Mysore who are eligible for insurance under the Mysore State Life Insurance Rules will have the privilege of providing for the maintenance of their parents, widows, children and certain other relatives by paying additional subscription under the following rules :—

The Branch of the Mysore State Life Insurance Office dealing with such provision will be called the Family Pension Branch.

2. Every intending subscriber to the Family Pension Branch who is already in service shall submit his letter of application through the head of his office to the Secretary, Mysore State Life Insurance Committee, in such form and with such declarations as the Committee may prescribe; and on paying an entrance fee of Rs. 4 shall receive from the Secretary a letter authorising the medical officer to examine him within a month from the date of such letter. In the event of the applicant failing to appear before the medical officer within the period aforesaid, he shall be liable to forfeiture of his entrance fee, unless sufficient reason can be shown by him for non-attendance. In case of renewal of his application, he shall be required to pay a fresh entrance fee.

3. The entrance fee should be paid into the nearest treasury and the treasury receipt may be forwarded to the Secretary, Insurance office, with the application as evidence of payment.

4. The medical officer shall be entitled to a fee of Rs. 4 for each applicant who is already in the service of Government and has been examined before for State Life Insurance. He should submit periodical bills on this account to the Secretary, Insurance office, who will return them, after check, with the Comptroller's order for payment at the treasury.

5. In the case of persons newly admitted to an appointment in which insurance is admissible, the medical examination for ordinary insurance and for Family Pension should take place simultaneously. In such cases no separate medical certificate for admission to the Family Pension Branch will be required and no fee will be payable to the medical officer.

6. No person shall be admitted as a subscriber to the Family Pension Branch unless his general health be favorably reported upon by the medical officer to the satisfaction of the Senior Surgeon to the Government and the Insurance Committee.

7. When an applicant after having been once medically examined by a medical officer is required by him to be re-examined a fee of Rs. 4 for such re-examination shall be paid by the applicant.

8. The Committee may refuse to admit as a subscriber to the Fund any person applying to be so admitted, without assigning any reason whatever for such refusal.

9. All matters connected with proposals from intending subscribers shall be considered private and confidential.

10. When an applicant's proposal shall have been accepted or rejected by the Committee, due intimation of the same in writing shall be given to him by the Secretary through the head of his office within one week from the date of such decision. In case of acceptance, he shall pay the amount of his subscription for the month in which his proposal is accepted within 30 days from the date of receipt of notice of admission in cash into the nearest treasury. On failure to do so, such acceptance shall stand cancelled and in the event of his renewing his application he shall be treated in all respects as a new applicant. The names of all persons accepted as subscribers, the nature and amount of the pension subscribed for, the names, ages and condition of their nominees shall be registered in the Insurance office, and entrance certificates, in a form to be prescribed by the Committee shall be granted to such subscribers on payment of their first month's subscription. Provided that no person shall be entitled to the privileges of a subscriber until he pays his first month's subscription.

II. NATURE AND LIMIT OF PENSIONS WHICH CAN BE SECURED.

11. The amount of pension which can be secured for each parent, widow, child or relative shall range from Rs. 5 to Rs. 30 per mensem; provided that the aggregate amount of pensions securable for any number of nominees by any single applicant shall, in no case, exceed Rs. 80 per mensem, and that of this amount not more than Rs. 60 shall be life pensions.

12. Pensions are given for life or for a term of years to nominees of subscribers.

13. A pension secured for a parent shall terminate on the death of such parent.

14. A pension secured for a wife shall terminate on her death; provided that the pension payable to her shall remain in abeyance during the life time of a subsequent husband.

15. A pension terminable on death may also be secured for the following persons:—

(*a*) Step-mother.
(*b*) Widowed female relative.
(*c*) Male relative not younger than the subscriber, nor below 21 years of age.

Provided that, in the case of a widowed pensioner, the pension shall remain in abeyance during the life time of any subsequent husband.

16. A pension for life may be secured for any relative, who is afflicted with such mental or bodily infirmity as in the opinion of the Committee, based on the report of a medical officer, permanently incapacitates the person so afflicted from obtaining his livelihood, or in the case of a female, from marrying.

17. A pension for life may be secured for any married female relative whose husband is afflicted with such mental or bodily infirmity, as in the opinion of the Committee, based on the report of a medical officer of the fund, or of any other medical man to be nominated by the Committee, permanently incapacitates the husband so afflicted from obtaining his livelihood.

18. Application for admission as a subscriber shall be received from an employee desiring to secure a provision for any married female relation of good character, forsaken by her husband, or whose husband has remained unheard of for more than seven years at the date of the application. A certificate from two respectable residents of the place testifying to the correctness of the fact shall accompany the application. The applicant shall further solemnly declare the facts of the case in detail at the foot of his personal affirmation.

19. An intending subscriber may secure a provision in the Fund for a widow or orphan not related to him, but quite helpless and destitute and depending

on him and living under his protection for not less than ten years at the date of the application, and bearing a good moral character. A solemn declaration to the above effect, giving in detail the facts of the case shall be given at the foot of his personal affirmation.

20. A pension for a term can be secured for any male relative under 21 years of age, and shall terminate on his completing that age.

21. A pension for a term can also be secured for any unmarried female relative, and shall terminate upon the marriage or completion of her 18th year whichever, shall first happen.

III. PENSIONS NOT ASSIGNABLE.

22. The pensions granted by the Family Pension Branch are for the personal benefit of the nominees of subscribers. They are not assignable and the Committee shall refuse to pay any pension to any assignee.

IV. RATES OF SUBSCRIPTIONS AND OTHER CONDITIONS.

23. The rates of subscription for securing pensions shall be regulated by the tables, appended to these rules, in the following manner:—

For a pension under Rules 13-18, Table I shall apply.

For a pension under Rule 19, Table I or Table II shall apply according as the pension is for life or for a term only.

For a pension under Rules 20-21, Table II shall apply.

24. In fixing the rates of subscription, the age of the subscriber shall be ascertained and calculated according to the State Insurance Rules. The age of the nominee shall be taken as the age on the birth-day preceding the date of admission.

25. No person shall be admitted as a subscriber to the Fund who has more than one wife, living at the same time.

26. Any subscriber, contracting a subsequent marriage during the life time of his wife, shall at the discretion of the Committee, be declared liable to pay an enhanced rate not exceeding 20 per cent of the rate hitherto paid by him.

27. If the Committee decide upon accepting the proposal of an applicant whose life in their opinion, is exposed to more than ordinary hazard, but otherwise good, or if any existing subscriber shall enter into or engage in any service or employment of a hazardous nature, or if his life may otherwise become exposed to more than ordinary risk, such applicant or subscriber shall, during the continuance of such increased risk on his life, be liable to pay an augmented rate of subscription in proportion to such increased risk, not exceeding 25 per cent of the rate payable under the tables appended to these rules. The decision of the Committee as to the liability to pay an augmented rate of subscription under this rule, shall be binding upon all intending and existing subscribers from the date on which the decision may be duly notified to them.

28. Rates of pension and subscription as shown in the tables shall not be altered except with the sanction of Government and even in that case such alteration will not adversely affect contracts existing at the time of alteration.

29. A subscriber wishing to increase the amount of pension already subscribed for any nominee, or to provide for new nominees, shall, in all respects, conform to the rules and forms prescribed for observance in cases of original application for admission. The necessary endorsement shall be made on back of the entrance certificate (*vide* Rule 10).

30. A subscriber may reduce the amount of pension already subscribed for by him by giving notice in writing to the Secretary of his desire to do so and from the first day of the month following that in which such notice shall have been given, he shall be liable to pay a subscription at the rate provided for such lower amount of pension, provided that the subscriber so reducing the amount of a pension and the nominee in respect of whom the pension has been reduced, shall have no claim upon the Fund by reason of the higher rate heretofore paid by the subscriber. The necessary endorsement shall be made on the back of the Entrance Certificate. This rule equally applies to cases of withdrawal or cancellation of provision for nominees.

31. Subscription received beyond the date of death of a subscriber, or death or withdrawal of nominees of such subscriber shall be refunded.

32. A duplicate copy of the Entrance Certificate may be issued to a subscriber on payment of a fee of one rupee, if he satisfies the Committee that the original has been lost or destroyed. From the date of issue of the duplicate copy, the original shall cease to be binding on the Fund.

V. METHOD OF PAYMENT OF SUBSCRIPTION.

33. Subscriptions to the Family Pension Branch are payable by employees in service in the same manner as subscription to the Ordinary Insurance Branch.

34. Subscribers in receipt of pension from Government shall pay their subscription by deduction from their pension at the time such pension is drawn and the rules applicable to those who pay their subscription by deduction from pay shall apply *mutatis mutandis* to the case of pensioners.

35. Subscribers who permanently cease to draw pay or pension from Government for any reason should pay their subscriptions in cash into the nearest treasury of the Mysore Government regularly within the first ten days of each month.

VI. PENALTIES, ETC.

36. Wilful omission or misrepresentation of any facts connected with the name, age, health, or constitution of the applicant, or with the name and age of a nominee, or of any other matter affecting admissibility to the benefits of the Fund or liability to pay augmented rate, shall involve the forfeiture of all claims on the Fund.

37. In the event of a subscriber failing to pay his subscription during the period within which it becomes due according to the prescribed rules he and his nomineee shall forfeit all claims on the Fund which he or they may have acquired. Provided that, in case, of the death of a subscriber before payment of his subscription within one month of default, the default shall not operate as a forfeiture of the claims of his nominee but the amount of the subscription in arrears shall in the first place be deducted from the pension payable to such nominee.

38. Provided further that subscriptions paid subsequent to forfeiture of claims on the Fund, shall not operate to revive them without the express orders of the Committee.

39. In the event of a subscriber failing to continue his subscription the Committee may on being satisfied of his inability to pay, allow his nominees, subject to prescribed conditions, such pensions as shall bear to the pensions originally secured the same proportion as the number of complete years during which he has paid his subscription, bears to the difference between 85 and the age at the last birthday of the said subscriber at the time he joined the Fund; provided such subscriber has paid his subscription for a period of not less than ten years for his nominees; provided further that such subscriber furnishes the Secretary, Insurance office, in July of each year with life-certificates of his nominees from two respectable persons, accompanied by a statement from himself showing their present condition, residence and occupation, and further pays during his life-time an annual registration fee at the rate of one anna per rupee of the aggregate yearly amount granted to his nominees under this rule. The pension to nominees is payable only after the subscriber's death.

40. If the subscriber mentioned in the next preceding rule fails to comply with any of its requirements, he and his nominees shall forfeit all claims on the Fund, unless the Committee within three months from date of forfeiture shall, on such terms and conditions as to them may appear proper, order the revival of such claims. If however, a subscriber dies in the month of July before payment of the registration fee prescribed under the next preceding rule, it shall be deducted from the first payment made to his nominees after his death, the certificates and statements required being dispensed with.

41. The Committee may, at any time within six months from the date on which a subscriber forfeits his claims under the operation of Rule 37, re-admit him on his furnishing satisfactory explanation of the cause of default and upon payment

of the subscription due, together with a fine not exceeding four times the monthy subscription payable by him. In any other case the Committee may re-admit a subscriber to the benefit of the Fund on such further terms and conditions, if any, as to them may seem proper; provided that no application for a revival of claims be admitted after the expiration of one year from the date of default.

42. In the event of a defaulting subscriber dying within the period allowed by the next preceding rule for the revival of his claims and before the actual renewal thereof, his nominees shall not be entitled to the benefit of the Fund except on such conditions as may, in each case, be laid down by the Committee and unless an application be made by such nominees within two months from the death of the subscriber.

43. Provided that such subscriber has not during his life-time expressed his desire in writing to the office of the Fund to cease to be a subscriber either for inability to continue his subscription or for any other cause, within the limit of one year as fixed in Rule 41.

VII. RULES REGARDING PAYMENT OF PENSION.

44. The nominee of a subscriber shall be entitled to the pension subscribed for him or her from the date of the death of the subscriber.

45. Pensions shall be payable except in the cases hereinafter mentioned, only to the pensioners themselves or their duly authorized Agents. For appointing an agent for the purposes of this rule a female pensioner will have only to sign or affix her mark to a declaration in the presence of two respectable witnesses. Such appointments may be cancelled at any time by a declaration signed in the same way.

46. Pensions of children under the age of eighteen years and of all other persons under legal disabilities shall be paid to their natural and constituted guardians. The pension of a minor child will be paid to the mother of the child without the production of any legal authority. Provided that guardians for minor nominees appointed by the subscriber during his life-time and registered in the Insurance office will be always recognized.

47. Any pension payable to a person afflicted with any mental or bodily infirmity may, at the discretion of the Committee be paid to the person in charge of the pensioner.

48. No power-of-attorney or Certificate of Guardianship shall be recognized by the Committee unless the original be produced and a true copy thereof left for record at their office.

49. Upon the death of a subscriber, his nominee or if the nominee be under legal disability, the guardian of such nominee or if the nominee be suffering from mental or physical infirmity, the person in charge of such nominee shall apply to the Secretary for the registration of the name of such nominee as pensioner of the Fund, and the Secretary acting under the orders of the Committee, on production of satisfactory evidence of the death of such subscriber, the identity of his nominee and in the case in which the pension is claimed on behalf of a nominee the authority of the applicant to receive such pension, register in a book to be kept for the purpose, the name, parentage, age, residence and description of the pensioner, the nature of the provision made for and the amount of monthly allowance payable to him or her, the name and date of death of the subscriber and his relationship with the nominee. An extract from this book shall be furnished to the applicant.

50. In the event of no application for pension being received within three months from the death of a subscriber the nominee will be asked to submit the usual application.

51. All pensioners of the Fund shall be required to furnish half-yearly a certificate of existence from two respectable parties in a prescribed printed form which will be supplied free. Widow and spinster pensioners shall also respectively furnish like certificates of continued widowhood or spinsterhood.

52. The treasury at which a pension is paid shall supply printed forms of receipts to pensioners of the Fund, and no acknowledgment for receipt of pensions shall be accepted if not written on such forms. If any pensioner so desires his or her pension will be paid by postal money order on receipt of the bill at the Insurance

office by post. The money order commission will be deducted from the amount of pension. In such cases forms will be supplied by post.

53. A declaration shall be attached at foot of each receipt to the effect that it contains the genuine signature of the registered pensioner or of his guardian or of such other person as may be entitled to draw his or her allowance, and that the pensioner is not debarred under the rules of the Fund from drawing the amount stated in the receipt.

54. The Treasury Officer shall, at the time of payment of a pension, issue a blank form of receipt to every pensioner for use in the succeeding month.

55. Pensions shall be payable monthly on the production of a receipt signed by the pensioner or his guardian if he be under legal disability or by the person having the care of such pensioner if he be labouring under any physical or mental infirmity.

56. The Committee shall not recognise the receipt of a pensioner unable to write unless the thumb impression or mark of the latter be attested by two respectable witnesses.

57. The Committee may refuse payment of a pension until the requirements of Rules 49 and 51 shall have been complied with and nó suit shall be maintainable by, or on behalf of, any person for the recovery of a pension from the Fund unless the extract and certificate referred to in these rules (*vide* Rules 49 and 51) shall have been first obtained or furnished.

58. Pensions remaining unpaid before the death of the pensioners shall be paid to their legal representatives in the usual way on receipt of a certificate from two respectable gentlemen of the locality establishing the representative character of the applicants to the satisfaction of the Committee.

59. Surpluses declared at actuarial valuations may be devoted with the sanction of Government to affording relief to subscribers whose nominees die and to those of long standing.

By Order,

J. S. CHAKRAVARTI,

Financial Secretary to Government.